



**Asia-Pacific  
Economic Cooperation**

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**2013/SOM1/CTTF/012**

Agenda Item: 8

## **Counter-Terrorism Action Plan – Mexico**

Purpose: Information  
Submitted by: Mexico



**28<sup>th</sup> Counter Terrorism Task Force Meeting  
Jakarta, Indonesia  
29-30 January 2013**

## APEC COUNTER-TERRORISM ACTION PLAN

**ECONOMY:**

Mexico

**CALENDAR YEAR:**

2012

**LAST UPDATED:**

September 2012

**Objective:** Where appropriate, to self-assess progress against APEC Leaders' and Ministers' counter-terrorism commitments, and to identify capacity building needs to assist the CTF to identify priority areas for future cooperation.

### EXECUTIVE SUMMARY

- 1. Summary of main achievements/progress in implementing Leaders' and Ministers' commitments since last update.**
  - This year Mexico concluded the implementation of the Megaports Initiative, in order to equip with Non Intrusive RPM, four of the major ports, which represents about 90% of maritime containerized cargo of Mexico.
  - In early 2012, The New Scheme of Certifies Companies came into force, it is aimed at facilitating and expediting foreign trade and to contribute to the country's competitiveness, safeguarding national security.
  - This year, Mexico continued the implementation of the Maritime Security Program with the support of the Inter-American Committee against Terrorism (CICTE) of the Organization of American States (OAS), in order to develop an evaluation and training process at eight Mexican ports.
  - The Specialized Committee on Information Security was established on December 2011.
  - Mexico is participating of the main multilateral exports control regimes.
  - Mexico continued its work to combat money laundering and terrorism financing, by presenting to Congress multiple bills on the matter.
- 2. Summary of forward work program to implement Leaders' and Ministers' commitments.**
  - Mexico will install 10 laboratories of document analysis in major airports, to identify fraudulent documents.
  - The introduction of an Initiative for Preventing and Identifying Operations with illicit Resources and the Financing of Terrorism.
- 3. Summary of capacity building needs and opportunities that would accelerate/strengthen the implementation of APEC Leaders' and Ministers' commitments by your economy and in the region.**

Needs:

  - Money laundering and terrorism financing.
  - Customs & Transportation Cargo Security.
  - Weapons of mass destruction.

Expertise and Assistance:

  - Experience on Critical infrastructure; information protection.
  - Training on Incident Response.

- Container Inspections.
- Expertise at interagency coordination on maritime issues.
- Training relative to FIU's mandate/tactical analysis/technological tools/best practices of international cooperation.

## A. ENHANCING THE SECURE FLOW OF TRADE AND PEOPLE IN THE APEC REGION

### A.1 Protect Cargo:

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#### LEADERS' AND MINISTERS' COMMITMENTS

- Implement the APEC Framework for Secure Trade (2005).
- Implement the common standards for electronic customs reporting developed by the World Customs Organization (WCO) that provide data to target high-risk shipments and facilitate trade (2002).
- Implement as practicable as possible a container security regime that facilitates the smooth flow of trade while enhancing the integrity of containers (2002).
- Promote private-sector adoption of high standards of supply chain security, as developed by the private sector and law enforcement officials (2002).
- Continue cooperation between APEC member economies to facilitate trade recovery after a terrorist attack (2006, 2007).
- Work towards more consistent security measures that reduce transaction costs, and to enhance cooperation with the private sector (2007).

#### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

Mexico concluded this year the implementation of the Megaports Initiative, within whose framework Mexico succeeded to equip with Non Intrusive RPM, four of the major ports in Mexico (Veracruz, Manzanillo, Lázaro Cárdenas, and Altamira), that together represent more of the 90% of all the maritime containerized cargo. This in order to prevent illicit traffic of nuclear and radioactive material, which could be used in the devise of radiological dispersion or a dirty bomb.

In January 2, 2012, The New Scheme of Certifies Companies (NEEC, for its acronym in Spanish) came into force, which is a voluntary program for businesses which will strengthen the security of the supply chain of foreign trade, through the implementation of minimum safety standards internationally recognized, in coordination with the private sector. This, in order to facilitate and expedite foreign trade and contribute to the country's competitiveness, safeguarding national security.

Mexico, through The General Customs Administration, has carried out four functional tabletop exercises (San Ysidro California, 2008; McAllen Texas, 2010; Isla del Padre Texas, February 2012; and San Diego California, August of this year), in order to strengthen security at the perimeter of the US/MX border, development and test of binational SOP's, to speed up service, time recovery, and resumption of commercial activities in the case of an event that has the potential to cause a major disruption flow of trade in the northern border.

Mexico has implemented Prevention and Deterrence Operatives, through highway checkpoints for inspection, as well for the investigation of subjects and criminal organizations linked to terrorism.

**FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

Training of personnel with the objective of working on recommendations of technological, legal and normative measures to respond to the problem of terrorism.

**WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

Customs Mexico is interested in getting support to enhance and better coordinate counter-terrorism activities, where appropriate, through effective collaboration, technical assistance and capacity building, and with the cooperation of Task Force of APEC.

For this, Mexico have identified some specific needs:

- Money laundering and terrorism financing
- Customs & Transportation Cargo Security
- Risk Analysis and Targeting
- Design and Implementation of AEO
- Weapons of mass destruction
- Identification of radioactive and nuclear material
- Concealment methods
- Civil aviation security
- Security at airports
- Security at vessels and platforms
- Explosives

**WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

Mexico, through The General of Customs Administration, has technical expertise that can be provided to a 3<sup>rd</sup> country in order to support their national capacity building programs. This training can be through triangular cooperation on the following programs:

- Chemical Precursors Identification Course
- Detection of Irregularities in Currencies statements
- Research for Commercial Fraud Schemes
- Methodology for Risk Analysis in Maritime Operations
- Training Course for K9 units for drugs and firearms detection
- Incident Command Systems
- Nonintrusive Equipment
- In-Land vehicle inspections
- Container Inspections
- Professionalism

- Counterfeit
- Inspector Training Course

## A.2 Protect Port Facilities and Ships Engaged in International Voyages:

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### LEADERS' AND MINISTERS' COMMITMENTS

- Review ship and port facility security plans; automatic identification systems (AIS) installed on certain ships (2004).
- Support international efforts to fight piracy (2002, 2008).
- Support the implementation of the International Ship and Port Facility Security Code (2004).
- Cooperation between APEC **member economies** on training to enhance ship and port security in the region (2002).
- Cooperate with the International Maritime Organisation on its efforts to undertake an analysis of small boats as potential threats to maritime security (2009).

### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

The Ministry of Communications and Transports, through the General Coordination of Ports and Merchant Maritime, continues issuing the International Ship and Port Facility Security Code (ISPS Code), to certificate all Mexican ports and ships for five years, subject to regular verifications according to the ISPS Code requirements.

Mexico continues developing the Maritime Security Program with the Inter-American Committee against Terrorism (CICTE) of the Organization of American States (OAS), aimed to develop an evaluation and training process. In 2010 and 2011, the Program was implemented in four ports, and during 2012 has been applied in the next ports: Ensenada (7-25 May), Mazatlán (4-15 June), Puerto Vallarta (27 July-17 August), Salina Cruz (10-24 July), Tampico (6-25 August), Altamira (27 August-14 September), Veracruz (17 September-5 October), Ciudad del Carmen (8-24 October) and Lázaro Cárdenas (29 October-16 November).

### FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)

For the year 2013, Mexico will continue implementing the Maritime Security Program with the CICTE-OAS at four more ports: Acapulco, Progreso, Dos Bocas and Tuxpan.

### WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?

### WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?

Mexico could provide assistance in ports, vessels and platforms security as well its expertise at interagency coordination with those countries

wishing to exchange experience in their application and exercise developed by the implementation of the ISPS Code.

### A.3 Protect International Aviation:

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**Emergency Aviation Security Point of Contact:** Name: Carlos Espinosa Schillinger Title: Deputy Director General for Aviation Security. Ministry of Communications and Transports.

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#### LEADERS' AND MINISTERS' COMMITMENTS

- Introduce highly effective baggage screening procedures and equipment in all APEC international airports as soon as possible; and accelerate implementation of standards for reinforced flight deck doors for passenger aircraft wherever possible (2002).
- Support International Civil Aviation Organization (ICAO) mandatory aviation security audits (2002, 2009).
- Enhance air cargo security by promoting adoption of the guidelines developed by the ICAO (2002).
- Examine emerging approaches to air cargo security; share information on efficient screening technologies and training; and harmonise aviation security measures (2009).
- Adopt strict domestic export controls on Man-Portable Air Defense Systems (MANPADS); secure stockpiles; regulate production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts (2003).
- APEC economies which did not do so before 2007 to conduct one MANPADS' assessment of a major international airport using the MANPADS' Vulnerability Assessment (MVA) guide established by the ICAO or similar international guidelines (2005).
- Work towards continuous improvement of aviation security oversight and quality control (2009).
- Implement effective capacity building programs for air cargo and air traveller protection, which help develop institutions and mobilize expertise and resources efficiently (2010).

#### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

During 2012 Mexico has established the following plans and actions:

- In order to strengthen the inspection of checked baggage, Mexico invested about 7 million dollars (88 million of Mexican pesos) in baggage screening to cover almost all airports.
- In accordance to the corrective actions of verifications to Mexico (USAP) made by ICAO in 2004, 2007 and 2009, Mexico, through the Direction General for Civil Aviation Security, established a working plan that will allow fulfilling every observation regarding the establishment and development of Mexico's normative framework. The submission to ICAO will be presented during 2012.
- Mexico has implemented the Verification Plan to Airports, that in 2011 included the following airports:

AIRPORT	DATE	DOCUMENT
Toluca Airport	18 - 22 July	Administrative act
Guadalajara Airport	1- 5 August	Administrative act
Puerto Vallarta Airport	22 - 26 August	Administrative act
Cancun Airport	5 - 9 September	Administrative act
Aguascalientes Airport	18 - 22 September	Administrative act
Bajio Airport	22 - 24 September	Administrative act

- On May 2011, Mexico signed a Letter of Intent with the International Air Transport Association (IATA), through which it expressed the interest of the Direction General of Civil Aviation to undertake the pilot project "Secure Freight". However, to date, the document that formalizes the commitment of collaboration has not been signed yet. The project is oriented to provide security in supply chain and ensure that cargo remains sterile, and establishes the requirements of security for the prevention of acts of unlawful interference to be comply by all consignors, cargo agents, customs agents, airfreight consolidators, services providers, warehouses, dealerships and permit holders of civil and air transport airfields, that provide national or international, regular or irregular, freight and mail transport service.
- From June 2011 to date, Mexico has conducted several roundtable exercises (among Direction General of Civil Aviation, General Customs Administration, Federal Police, Mexico City International Airport, Aeromexico Cargo and IATA), to develop the first phase of the project. The document preliminarily called "Air Cargo Security Program" has been achieved almost 95%. To date, the draft document has been shared with the Transportation Security Administration, in order to get their feedback and comments, and also consider security measures harmonized with the ones used by the United States of America. It is estimated to have the document back in the second semester of 2012, to begin with the implementation phase.
- In terms of Man-Portable Air Defense Systems (MANPADS), the Security Direction of Civil Aviation will make an approach at the next meeting of the National Security Committee, in which the competent authorities will evaluate the threat probability and consider the possibility to publish a guideline for its attention.
- Concerning to the actualization and creation of the regulatory framework of Civil Aviation Security, Mexico, through the General Direction of Civil Aviation, is working on: the review of the National Airport Security Programme to establish the National Program of Civil Aviation Security; the creation of the National Civil Aviation Security Training Programme; the National Civil Aviation Security Quality Control Programme; and the National Facilitation Program, which establishes the use of machine readable travel documents (MRTD) and technical safety instructions set out at ICAO Doc 9303, in order to comply with standards 3.1.1, 3.1.3, 3.1.6 and 3.4.4, as the minimum program mandatory for Mexico set out in Annex 17 of the ICAO, which already has drafts. Also, the Civil Aviation Act has been updated and the 3 mandatory circulars on Aviation Security have been reviewed, both are in validation process.
- Mexico, through the Secretary of Communications and Transport, Direction General of Civil Aviation, has issued recommendations to the Ministry of Foreign Affairs for the ratification of the Beijing Convention and Protocol, since Mexico signed Ad-Referendum (August 30-September 10, 2010)
- Mexico has established training programs to public servants of the Direction General of Civil Aviation, in training centers authorized ICAO to develop plans in comment.

**FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

**WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

**WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

#### A.4 Protect People in Transit:

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National Migration Institute.

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##### **LEADERS' AND MINISTERS' COMMITMENTS**

- Implement as expeditiously as possible an Advance Passenger Information system for the collection and transmission of advance passenger information (2002).
- Consider joining the Regional Movement Alert System (RMAS) (2006).
- Adopt and implement agreed standards for machine readable travel documents, and application of biometrics in entry and (where applicable) exit procedures and travel documents consistent with ICAO and the International Standards Organization (2002).
- Assure the highest possible integrity of all government officials who are involved in border operations (2002).
- Develop a standardized strategic safety and security master plan for tourists, a crisis management model, and promote the development by industry of simple-to-use safety and security measures for tourism businesses (2002).
- Voluntarily provide information on lost and stolen travel documents to the existing database of the International Criminal and Police Organization (ICPO-Interpol) on a best endeavours basis (2005).

##### **MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS**

Mexico, through The National Migration Institute, follows-up the reviews and amendments made into the United Nations Security Council list of persons and entities under sanctions regime. From September 2011 to August 2012, 33 migratory registers (migrant alerts) were included in the Control List of our Integral System of Operation Migratory (SIOM for its acronym in Spanish). SIOM is a solid database available that allows immediate registration of information referenced by the Institute's daily operation of immigration applications.

The Institute does a data analysis of passenger lists and crew (APIS) that come from different countries in many airlines, which allows to detect migratory flows that have relation with acts related to security, public security or terrorism. These lists and migratory registers are compared to air list in order to find objects in flight coming to Mexico.

##### **FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

The Institute will install 10 new laboratories of document analysis in major airports in Mexico, to identify fraudulent documents.

**WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

**WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD**

**HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

## A.5 Combat Threats to Security:

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### LEADERS' AND MINISTERS' COMMITMENTS

- Review progress on commitments to dismantle trans-national terrorist groups (2003, 2005, 2006, 2007, 2008).
- Eliminate the severe and growing danger posed by the proliferation of weapons of mass destruction and their means of delivery by strengthened non-proliferation regimes and adopting and enforcing effective export controls (2003, 2004, 2005, 2006) as well as take appropriate individual and joint actions to protect legitimate financial and commercial system from abuse (2006).
- Ensure that any measures taken to combat terrorism comply with all relevant obligations under international law, in particular international human rights, refugee and humanitarian law (2005).
- Relevant economies to take steps towards the ratification and implementation of, or the commitment to ratify all basic universal antiterrorist conventions (2004, 2008).
- Increase and better coordinate counter-terrorism activities, where appropriate, through effective collaboration, technical assistance and capacity building, and cooperation between APEC's Counter-Terrorism Task Force with relevant **international, regional and functional organizations (2003) in accordance with the relevant APEC rules and practices.**
- **Relevant economies** to implement the International Atomic Energy Agency Code of Conduct on the Safety and Security of Radioactive Sources as well as the Guidance on the Import and Export of Radioactive Sources (2005).
- Continue efforts and cooperation on food defense to mitigate the terrorist threat to the food supply following the voluntary APEC Food Defence Principles (2007).

### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

Mexico is interested in developing high technology and dual use goods, not weapons. In this regard, Mexico has decided to participate in the main multilateral exports control regimes: Wassenaar Arrangement (WA), Nuclear Suppliers Group (NSG), Australia Group (AG) and Missile Technology Control Regime (MTCR), in order to contribute to the regional and international security and stability.

Mexico was admitted to the Wassenaar Arrangement in January 2012 and to the Nuclear Suppliers Group in October 2012. Mexico expects to participate in the remaining multilateral exports control regimes: Australia Group and Missile Technology Control Regime. Respecting the Australia Group, on June 5<sup>th</sup> 2012, Mexico submitted a formal request to become Member State. In this regard, Mexico has established control measures over the transference of conventional weapons, biological and chemical agents, and nuclear materials, technologies, and dual-use goods to strengthen the reinforcement of security in global trade and preventing the diversion of these resources.

The Government of Mexico, through its Interagency Committee on Exports Control for dual-use goods, software and technologies, has integrated such measures into the domestic legal framework and has been enabled to ensure its observance.

The National Export Control System is in full operation, and has adapted the processes of export licensing and customs clearance to embrace the non-proliferation goals of the exports control regimes.

Mexico has developed inter-agency intelligence activities for the investigation of potential threats of a terrorist nature. These actions have been carried out by the General Attorney's Office (PGR), the Secretariat of National Defense (SEDENA), the Secretariat of the Navy (SEMAR), the Secretariat of Public Safety (SSP), and the Center for Research and National Security (CISEN) of the Secretariat of the Interior. In particular, SEDENA created the S-8 (Counterterrorism Area) in order to investigate potential international terrorist threats and also other ones that could be interpreted in the same way, at national level.

Permanently, the Mexican Army and the Mexican Air Force implement, in its military practices, exercises of awareness and training regarding human rights, to support all security agencies. Annually, SEDENA updates the curricula of the schools of military training, improvement and specialization, in order to be aware of international treaties.

Under the framework of the Federal Law of Firearms and Explosives, and its Regulation, Mexico, through SEDENA, works on the inspection of weapons of the public safety bodies and also of the enterprises that transport, store, manufacture explosive material and others related.

On early December 2011, CTED visited Mexico.

**FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

It is necessary to promote the implementation of educational programs to combat the carrying and possession of firearms exclusively of Army, this in accordance to the Federal Law of Firearms and Explosives and its Regulation.

Mexico will host the Plenary Meeting of the Global Initiative to Combat Nuclear Terrorism (GICNT).

**WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

- Weapons of mass destruction
- Investigation after an explosion
- Localization and deactivation o explosives

**WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

## B. HALTING TERRORIST FINANCING:

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### LEADERS' AND MINISTERS' COMMITMENTS

- Cut off terrorists' access to the international financial and commercial system, including by implementing standards and agreements on combating terrorist financing and money laundering (2002, 2004, 2006, 2007, 2008, 2009).
- Enhance law enforcement and regulatory capabilities by establishing or identifying a financial intelligence unit (FIU) in each member economy, and enhancing information sharing with other FIUs (2002).
- Relevant economies to implement UN and other international instruments (2002).
- Implement, where applicable, the FATF's Special Recommendations on terrorist financing, including those relating to non-profit organizations, alternative remittance systems and illicit cash couriers (2002, 2008).

### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

During 2011 and so far in 2012, the General Provisions on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) has been issued and published applying to the following sectors:

- General Provisions applicable to regulated and unregulated multiple purpose finance companies (also known as "SOFOMES"): issued on March 17, 2011, and amended on December 23, 2011.
- General Provisions applicable to limited purpose finance companies (also known as "SOFOLLES"): issued on March 17, 2011.
- General Provisions applicable to foreign exchange centers: issued on September 25, 2009, and amended on April 10, 2012.
- General Provisions applicable to money remitters: issued on December 17, 2009 and amended on April 10, 2012.
- General Provisions applicable to auxiliary credit organizations: issued on May 31, 2011.
- General Provisions applicable to insurance companies: issued on July 19, 2012.
- General Provisions applicable to bonding companies: issued on July 19, 2012.

Find below the core points of these Provisions:

- The obligation of reporting entities to send to the FIU reports on terrorism and the financing of terrorism.
- The obligation of reporting entities to send to the FIU reports on international transfers.
- The strengthening of criteria for identifying, verifying, knowing and monitoring clients and occasional customers.
- The obligation to identify beneficial ownership.
- The incorporation of guidelines to improve the quality of reports sent by reporting entities.
- The incorporation of guidelines that allow for learning more about commercial relations in operations made through the reporting entities.
- The strengthening of due diligence obligations for operations in which there is suspicion as to the reliability of documents being provided by clients or occasional customers (i.e. false or altered documents).
- The incorporation of stricter identification obligations for recently constituted companies.

- The authorization to banking institutions for sharing information related to possible ML/FT cases among them.
- The incorporation of the faculty of competent authorities to designate high-risk jurisdictions to be treated as such by the financial sector.

The above mentioned General Provisions were issued and amended to strengthen the AML/CFT regime and therefore meet the international standards adopted on this regards. For reference:

[http://www.hacienda.gob.mx/LASHCP/MarcoJuridico/InteligenciaFinanciera/Paginas/disposiciones\\_crtr\\_gral.aspx](http://www.hacienda.gob.mx/LASHCP/MarcoJuridico/InteligenciaFinanciera/Paginas/disposiciones_crtr_gral.aspx)

On August 26, 2010, the Government of Mexico presented the **National Strategy for Preventing and Fighting Money Laundering and the Financing of Terrorism**. It is focused both on preventing and combating money laundering and terrorist financing. The Strategy includes the most appropriate measures to strengthen the national system for preventing and combating money laundering and terrorist financing, which will be open to public scrutiny, as well as review by specialized international organizations in which Mexico participates.

The Strategy encompasses, among others, the elaboration and proposal from the Executive power to the National Congress of a Law against Money Laundering. A Bill to implement the National Strategy in these areas was sent to Parliament in August 2010. For reference [http://www.hacienda.gob.mx/LASHCP/MarcoJuridico/InteligenciaFinanciera/Paginas/disposiciones\\_crtr\\_gral.aspx](http://www.hacienda.gob.mx/LASHCP/MarcoJuridico/InteligenciaFinanciera/Paginas/disposiciones_crtr_gral.aspx)

Moreover, the following Bills have been presented during 2011 and so far in 2012, in this matter:

- **Bill of a Federal Law for the Prevention and Identification of Transactions with Criminal Proceeds** (*related to DNFBPs, among other*).

The Bill of a Federal Law for the Prevention and Identification of Transactions with Criminal Proceeds was presented by the Federal Executive to Congress on August 26, 2010. The Bill was then approved by the Senate on April 28, 2011, and more recently by the Chamber of Deputies on April 30, 2012. The Bill approved by the Chamber of Deputies included some changes (that do not alter the essence of the original project) and was therefore sent back to the Senate for its analysis and, if applicable, final approval. The next ordinary period of the Senate begins on September 1, 2012, and may extend until December 31 of the same year.

The Bill has two main purposes: (i) establishing a catalog of those activities that are most vulnerable to ML/FT in terms of the national and international experience, so that whomever provides them has the obligation to practice an adequate customer due diligence/recordkeeping and to notify the transactions that are above a determined threshold to the Financial Intelligence Unit ("FIU"), and (ii) restricting the use of cash in certain transactions.

- **Bill of Decree by which the Federal Criminal Code and the Federal Criminal Procedures Code are amended** (*related to the criminalization of legal persons and conspiracy, among other*).

The Bill of Decree by which the Federal Criminal Code and the Federal Criminal Procedures Code are amended was presented by the Federal Executive to Congress on April 14, 2011. The Bill, currently under analysis and discussion at the Senate seeks, among other, the following: (i) modifying article 11 of the Federal Criminal Code in order to establish that legal persons are liable for ML/FT and other crimes, and (ii) incorporating an article 164 Quater for criminalizing conspiracy to perpetrate any crime in favor of a criminal organization.

- **Bill of Decree by which the Federal Criminal Code and the Federal Criminal Procedures Code are amended** (*related to the criminalization of legal persons, among other*).

The Bill of Decree by which the Federal Criminal Code and the Federal Criminal Procedures Code are amended was presented within the Chamber of Deputies on September 6, 2011. The Bill, currently under analysis and discussion at the Chamber of Deputies seeks, among other, to establish that legal persons are liable for money laundering in similar terms to those proposed by the above mentioned Bill.

- **Bill of Decree by which the Federal Criminal Code, the Federal Criminal Procedures Code and the Federal Law Against Organized Crime are amended** (*related to the criminalization of terrorism and terrorism financing, among other*).

The Bill of Decree by which the Federal Criminal Code, the Federal Criminal Procedures Code and the Federal Law Against Organized Crime was presented within the Senate on April 24, 2012. The Bill, currently under analysis and discussion at the Senate seeks, among other, to modify the current criminalization of terrorism and terrorism financing in order to make it fully consistent with the international standards.

Finally, another example of the measures that the Government of Mexico has undertaken to prevent and combat money laundering and terrorist financing in accordance with international standards (including the recently approved new FATF 40 Recommendations and the U.N. Convention Against Corruption) is the issuance of its list of prominent government positions that are considered domestic politically exposed persons (PEPs). The list identifies the most relevant positions within the executive, legislative and judicial powers at national, state and municipal levels; as well as the candidates to president, governors, majors, members to national and local congresses, and members of political parties, among other.

The list, which was made public on November 30, 2011, must be considered by all reporting entities during their identification and due diligence of clients and occasional customers.

#### **FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

Within the framework of the referred National Strategy, the Executive Power introduces to Congress a Bill that includes an Initiative for Preventing and Identifying Operations with illicit Resources and the Financing of Terrorism. Key elements of this specific bill includes:

- Mandatory reporting will be required from natural and legal persons who perform the following activities:
  1. Gambling and lotteries;
  2. Issuance and distribution by non-financial entities of credit, services or prepaid cards;
  3. Issuance and distribution by non-financial entities of traveler checks;
  4. Granting or offering by non-financial entities of loans or credits on a professional basis;
  5. Provision of construction, development or commercialization of real estate;
  6. Commercialization of precious stones and metals, watches and jewelry;
  7. Auction and commercialization of artwork;
  8. Distribution and commercialization of all types of new and used vehicles (land, water, air);
  9. Provision of armoring services;
  10. Transportation of cash and securities;
  11. Legal services for certain transactions;
  12. Accounting services for certain transactions;
  13. Notary public services for certain transactions;
  14. Customs brokers services for certain transactions;

- 15. Establishment of private property rights, and
- 16. Reception of donations by non-profit organizations.

- The restrictions to the use of cash apply to the following transactions:
  - 1) The acquisition of real estate for an amount equal to or in excess of approximately \$40,000 USD;
  - 2) The acquisition of tickets for gambling or lotteries, shares, vehicles of all types (land, water, air), artwork, watches, jewelry, precious stones or metals for an amount equal to or in excess of approximately \$16,000 USD, and
  - 3) The hiring of armoring services and the establishment of private property rights in excess to the equivalent of approximately \$16,000 USD.

Fighting money laundering is a key component of Mexico's fight against transnational crime. This unprecedented National Strategy, and the abovementioned Bill to implement it, clearly demonstrates the Mexican Government's commitment to modernize its legal framework and to develop better tools for combating money laundering and the financing of terrorism to disrupt criminal organizations.

**WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

Support on the supervision of the new reporting entities (DNFBPs) as mentioned above.

**WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

The FIU Mexico offers its foreign counterparts training on issues related to the fulfillment of the FIU's mandate, such as strategic and tactical analysis, information and technology tools, best practices of international cooperation, among others.

## C. PROMOTING CYBER SECURITY:

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### LEADERS' AND MINISTERS' COMMITMENTS

- Countering terrorism by implementing and enhancing critical information infrastructure protection and cyber security to ensure a trusted, secure and sustainable online environment (2002).
- Enhance mutual cooperation on countering malicious online activities and engage in efforts to increase cybersecurity awareness (2010).

### MEASURES UNDERTAKEN SINCE LAST UPDATE TO IMPLEMENT COMMITMENTS

Mexico concluded its efforts in the creation of the National Computer Security Incident Response Team called CERT-MX, which began operations in May 2010, as the authority in the following constituency: National Critical Information Infrastructure, Federal Government Agencies, Domain.mx, National point of contact for National CSIRT's & Information Security firms.

CERT-MX has been established in order to handle and respond to security incidents in the Mexican networks, and to work as a national point of contact for any malicious activity referred by other national CSIRT's, improving international cooperation in the field of incident handling.

On December 2011, the National Security Council approved the National Strategy for Information Security (NSIS) proposed by the Technical and Legal Specialized Group (GTECSI for its acronym in Spanish), with the following lines of action:

- To transform the GTECSI in a Specialized Committee on Information Security (CESI for its acronym in Spanish) as a consultant body to the National Security Council (NSC), with the mission of coordinate the NSIS implementation.
- To create a Specialized Unit for Information Security Policy (AESI for its acronym in Spanish), responsible for generating public policy on cyber security in three phases of implementation:
  - Federal Public Administration Agencies.
  - State and Local Governments; Legislative and Judicial Branches.
  - Private Sector and the citizens in general.
  - To implement a standardized manual based on best practices and global standards for cyber security (MAAGTICSI).
- To build one or more Computer Emergency Readiness Teams. In the first instance, through a coordination protocol to address the possible attacks by CERT-MX.
- The adequacy of the current legal framework on cybercrime to comply with the Budapest Convention requirements.
- Improve the Mexican Government capacity to collaborate internationally on cybercrime, through the active participation in various forums with experts in the field.
- To build a culture of information security, within all federal government agencies as well as promoting education and awareness programs for the general public.

In January 2012, the General Application Manual of Information Technology, Communications and Information Security (MAAGTICSI) was

introduced. It defines:

- Policies and security controls (based on international best practices, ISO 27001) in all Federal Government Agencies.
- Standardized methodology to identify critical information infrastructure.
- A common technique for critical information infrastructures risk analysis.
- Creating internal incident response teams in each APF agencies, to be coordinated with CERT-MX.

In February 2012 the Specialized Technical Group (GTECSI) evolves in CESI, as an advisory body of the CSN, which consists of two teams, one technical and one legal.

- The Technical Group is responsible for:
  - To create a protocol to coordinate local response teams with the CERT-MX.
  - Training the APF agencies for the MAAGTICSI implantation.
  - Monitor the implementation of the MAAGTICSI, in its first phase.
- The legislative harmonization Group is responsible for:
  - To develop proposals for reforming the national legal framework to meet the standards required by the Budapest Convention.
  - Present a legislative reform draft in cyber crime.

In the field of international cooperation, the Mexican Government has actively participated in various international forums and workshops on cyber security and cybercrime, in cooperation with CICTE, for example: Octopus Conference, Regional Cyber Security Best Practices Workshops and provide training on Cyber Security Incident Management Workshop to the Peruvian Government.

Mexico has become a reference for Latin American countries in incident management, enabling the countries of the region to build their own capacities.

#### **FURTHER MEASURES PLANNED TO IMPLEMENT COMMITMENTS (indicate timeframe)**

As a major goal of the National Information Security Strategy, Mexico is working on:

- The signature of the Budapest Convention
- The AESI conformation
- To create sectorial incident response teams, to improve the incident management capabilities.

#### **WHAT SPECIFIC CAPACITY BUILDING NEEDS DOES YOUR ECONOMY HAVE THAT HINDER YOUR ABILITY TO IMPLEMENT COMMITMENTS, AND WHAT CAPACITY BUILDING OPPORTUNITIES COULD BE PROVIDED THROUGH APEC TO ADDRESS THESE NEEDS?**

- Specialized training on Critical infrastructure information protection.
- Technical support regarding Advanced Persistent Threats against government.
- Prioritize information security in daily process of federal institutions. To work on top-down implementation of an information security strategy involving all federal agencies and critical infrastructure operators.

#### **WHAT KIND OF EXPERTISE AND/OR ASSISTANCE COULD YOUR ECONOMY PROVIDE TO OTHER APEC MEMBERS THAT COULD HELP ADDRESS THEIR CAPACITY BUILDING NEEDS?**

- Mexican Government Experience on Information Security Strategy
- Training on Information Security
- Training on Incident Response
- Analysis of cyber threats
- International cooperation program related to cybercrime and cybersecurity